

PRARAM 9 HOSPITAL PR9 TB

THAILAND / HEALTHCARE

BUY

UNCHANGED

TARGET PRICE	THB15.00
CLOSE	THB11.20
UP/DOWNSIDE	+33.9%
PRIOR TP	THB15.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+13.2%

4Q21 hit a new record high

- 4Q21 profit surged by 40% q-q to a record high of THB116m.
- 1Q22 outlook remains strong, led by surging Omicron wave; expect 2022 earnings to jump by 49%.
- Maintain BUY with 2022 DCF-based TP of THB15/shr (9.4% WACC, 3% LTG).

Strong 4Q21 earnings led by non-Covid patient revenue

Earnings surged by 40% q-q and 43% y-y to THB116m in 4Q21, beating our estimate by 18%, mainly due to higher-than-expected revenue. The strong growth was primarily driven by non-Covid revenue. Non-Covid OPD revenue hit a record high thanks to higher patient volumes for the Check-up Center and Lasik Center, which contributed 10% and 8%, respectively, of total revenue in 4Q21. Meanwhile, non-Covid IPD revenue also hit a record high, led by pent-up demand for elective cases. Note that Covid-related revenue contributions accounted for only 4% of total revenue in 4Q21.

IPD patient volume to jump in 1Q22

At PR9's analyst meeting on 18 Feb, management guided that earnings growth momentum should continue in 1Q22 as the IPD patient volume has jumped from 117 beds/day to c200 beds/day currently (Covid patients 110 beds/non-Covid patients 90 beds). Also, despite insurance companies announcing that they would not pay treatment fees for green-symptom Covid patients since 15 Feb, PR9 is still seeing high demand from self-pay patients, with about 20-30 patients on the waiting list.

Capturing a new revenue stream from capacity of new building

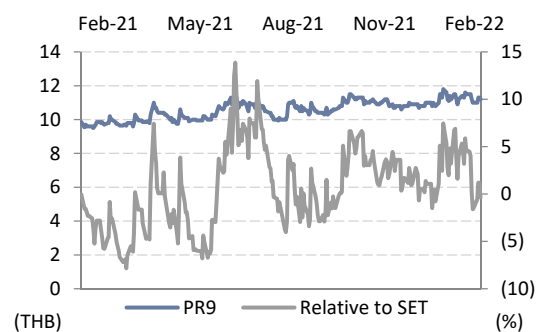
PR9 targets 2022 revenue growth of 15% (vs our assumption of 13%), led by 1) the Lasik Center and Check-up Center, which should capture a full year's demand vs the partial lockdown last year; 2) new specialist centres, including the Chest & Respiratory Center and Thyroid Surgery Center; and 3) rising kidney transplant cases, given that PR9 had c80 cases last year vs 86 cases at the pre-Covid level due to a lower number of donated kidneys. There is the scope of an upside from international patient revenue as PR9 forecasts contributions of only 12% (vs pre-Covid level at 16%). We forecast 2022 earnings to jump by 49% to THB371m.

Share price has a high potential to hit a record high

Due to PR9's earnings hitting a record high in 4Q21 and its promising outlook in 2022, we believe its share price has a high potential to exceed its previous record (THB12.6/shr in Nov-18) given that PR9 is trading at 24x 2022E P/E and 2022E 10x EV/EBITDA, lower than its peers' average of 34x and 18x, respectively.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,987	3,387	3,753	3,981
Net profit	249	371	475	525
EPS (THB)	0.32	0.47	0.60	0.67
vs Consensus (%)	-	13.3	29.6	45.7
EBITDA	590	761	902	980
Core net profit	249	371	475	525
Core EPS (THB)	0.32	0.47	0.60	0.67
Chg. In EPS est. (%)	nm	(0.1)	(0.1)	nm
EPS growth (%)	23.3	48.7	28.2	10.5
Core P/E (x)	35.3	23.8	18.5	16.8
Dividend yield (%)	1.3	2.9	3.8	4.2
EV/EBITDA (x)	12.8	9.7	7.9	7.0
Price/book (x)	2.1	1.9	1.9	1.8
Net debt/Equity (%)	(28.9)	(31.9)	(35.6)	(39.0)
ROE (%)	5.9	8.4	10.2	10.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.4)	2.8	13.1
Relative to country (%)	(5.6)	(1.3)	0.7
Mkt cap (USD m)	274		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	59		
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	11.90/9.35		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

PR9 is a standalone hospital that is known as a “value-for-money” hospital. It recently upgraded the hospital to include tertiary care with new specialist centres. One of the top contributors is the Kidney Transplant Institute, which is the only facility to be accredited by Joint Commission International (JCI) outside the US.

The hospital is in a growth phase, with its new building having opened in July 2020. Although the market is concerned about the new building’s drag on its overall operations, we believe this should strengthen PR9 in the long term.

An improving EBITDA margin should lead to its stock re-rating, and its share price should exceed its IPO price of THB11.6 when it becomes apparent that the new building will support its earnings, in our view.

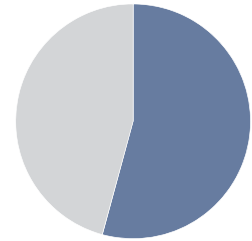
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2021)

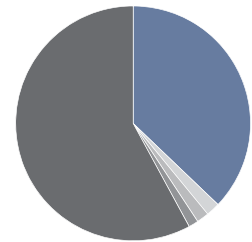
- OPD patient revenue - 54.2 %
- IPD patient revenue - 45.8 %



Source: Praram 9 Hospital

Major shareholders

- Khunying Potjaman Damapong - 37.1 %
- Bualuang Basic Dividend LTF - 1.9 %
- Standard Life Aberdeen PLC - 1.7 %
- Dr. Satian Pooprasert - 1.3 %
- Others - 57.9 %



Source: Praram 9 Hospital

Catalysts

Key potential growth drivers include 1) a higher Thai patient volume from new specialist centres; and 2) rising demand for medical tourists, especially patients from Cambodia, Laos, Myanmar and Vietnam (CLMV), as well as China.

Risks to our call

Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
No. of licensed beds (no.)	215	249	270
OPD volume growth	13	5	3
OPD revenue / patient growth	3	4	3
IPD volume growth	3	7	3
IPD revenue / patient growth	7	6	3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2022 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2022 earnings to rise by 7%, and vice versa, all else being equal.

Source: FSSIA estimates

4Q21 results review

PR9 reported a THB116m core profit for 4Q21 (+43% y-y, 40% q-q), beating our estimate by 18%, driven mainly by higher-than-expected OPD revenue.

Revenue hit a new record high and grew 25% q-q. OPD patient revenue grew by 64% q-q, led by higher check-up revenue and revenue from the Lasik Center. IPD patient revenue dropped by 9% q-q due to lower Covid patient revenue, but was still the second-best quarter (followed only by 3Q21) and exceeded the pre-Covid level by 14%.

Covid-related revenue contributions declined from 23% in 3Q21 to 4% in 4Q21, consisting of 1% from Covid patient treatments and 3% from Moderna vaccinations.

Thai patient revenue grew by 23% q-q and exceeded the pre-Covid level by 34%. Meanwhile, international patient revenue grew by 41% q-q, led by the recovery of revenue from expat patients, but was still below the pre-Covid level by 30%.

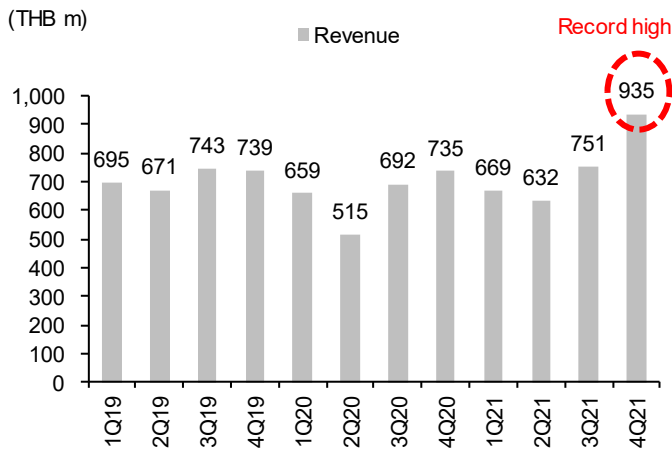
The EBITDA margin continued to rise in 4Q21, hitting a record high of 23.1% (vs 22.9% in 3Q21 and 18% in 4Q19).

Exhibit 1: 4Q21 results review

FY ending Dec	4Q20	1Q21	2Q21	3Q21	4Q21	---- Change ----		2020	2021	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	735	669	632	751	935	25	27	2,601	2,987	15
COGS (incl depreciation)	(520)	(502)	(500)	(526)	(644)	22	24	(1,890)	(2,172)	15
Gross Profit	215	166	132	225	291	30	35	712	815	14
SG&A	(132)	(132)	(130)	(134)	(161)	20	22	(518)	(557)	7
Operating Profit	83	34	2	91	130	44	56	193	257	33
Net other income	12	11	11	10	12	17	(6)	38	43	15
Interest expenses	(0)	(0)	(0)	(0)	(0)			(0)	(0)	n/a
Pretax profit	96	45	13	101	142	41	48	230	300	30
Income Tax	(14)	(6)	(1)	(18)	(26)	47	79	(28)	(51)	81
Core profit	81	39	12	83	116	40	43	202	249	23
Extraordinaries, GW & FX										
Reported net profit	81	39	12	83	116	40	43	202	249	23
Outstanding shares (m)	786	786	786	786	786	0	0	786	786	0
Pre-ex EPS (THB)	0.10	0.05	0.01	0.11	0.15	40	43	0.26	0.32	23
EPS (THB)	0.10	0.05	0.01	0.11	0.15	40	43	0.26	0.32	23
								0	0	
COGS excl. depreciation	(455)	(431)	(428)	(453)	(567)	25	25	(1,677)	(1,879)	12
Depreciation	(65)	(71)	(72)	(73)	(77)	4	18	(213)	(294)	38
EBITDA	161	116	85	174	218	26	36	443	594	34
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	29	25	21	30	31	1	2	27	27	(0)
SG&A/Revenue	18	20	21	18	17	(1)	(1)	20	19	(1)
EBITDA margin	21	17	13	23	23	0	2	17	20	3
Net profit margin	11	6	2	11	12	1	1	8	8	1
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	4	(4)	29	(10)	32					
OPD volume growth y-y	-	(10)	16	(16)	na					
OPD revenue per head growth y-y	4	6	11	7	na					
IPD revenue growth y-y	(7)	9	16	32	21					
IPD volume growth y-y	(8)	1	37	75	na					
IPD revenue per head growth y-y	2	8	(15)	(25)	na					
Thai patient revenue growth y-y	6	10	19	8	26					
Inter patient revenue growth y-y	(53)	(46)	81	13	51					

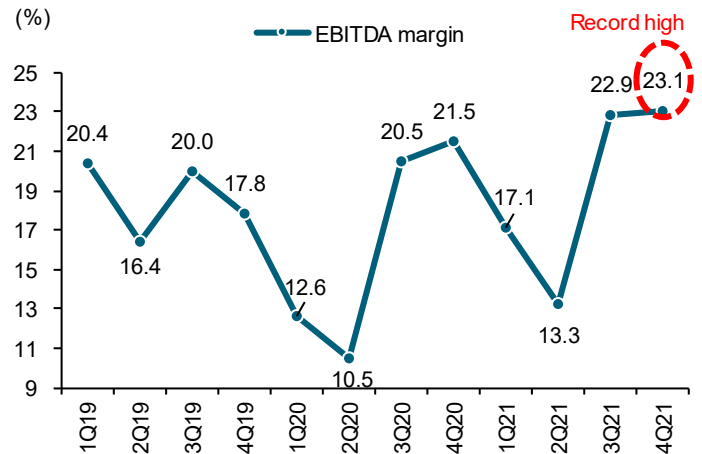
Sources: PR9; FSSIA estimates

Exhibit 2: Revenue hit a record high in 4Q21



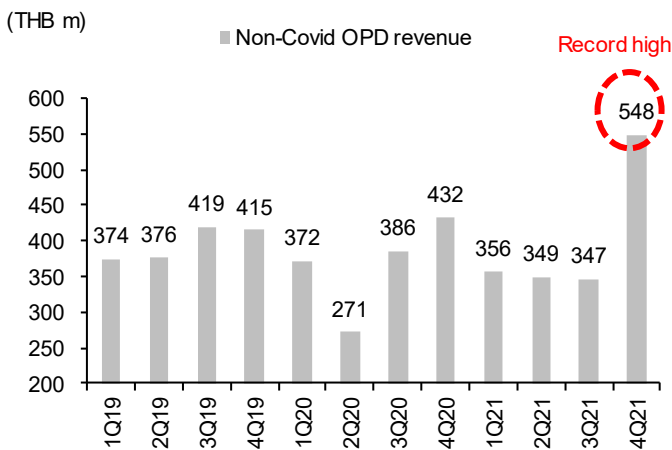
Source: PR9

Exhibit 3: EBITDA margin hit a record high in 4Q21



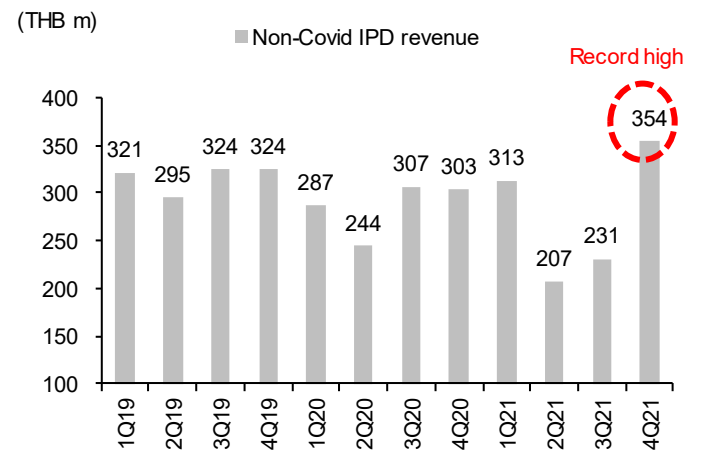
Source: PR9

Exhibit 4: Non-Covid OPD revenue



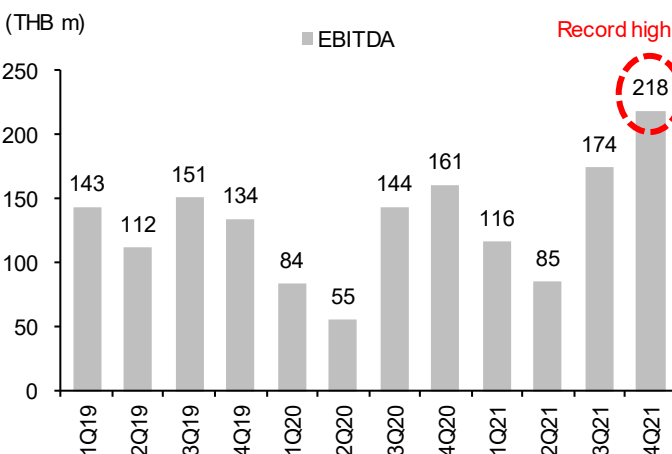
Note: Excludes Moderna vaccination revenue in 4Q21
Sources: PR9; FSSIA estimates

Exhibit 5: Non-Covid IPD revenue



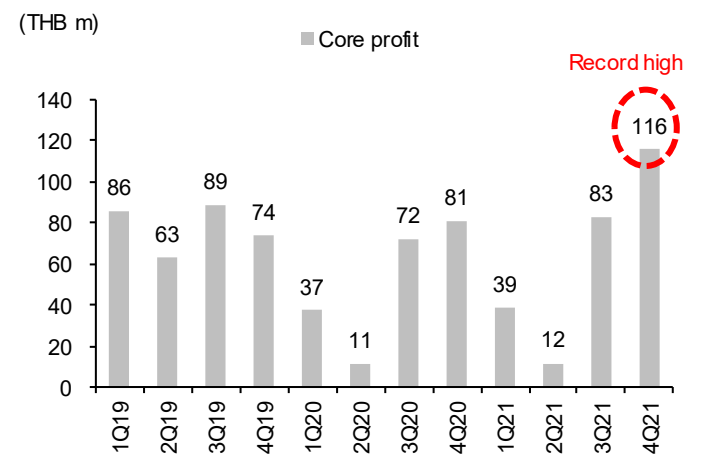
Note: Excludes treatment fees for Covid patients over 2Q21-4Q21
Sources: PR9; FSSIA estimates

Exhibit 6: EBITDA hit a record high in 4Q21



Source: PR9

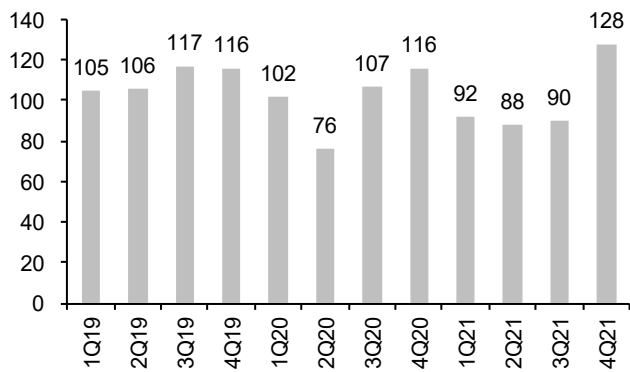
Exhibit 7: Core profit hit a record high in 4Q21



Source: PR9

Exhibit 8: OPD visits

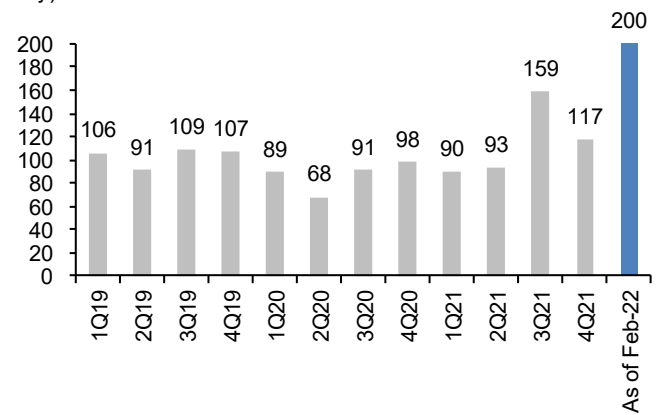
('000 visits)



Source: PR9

Exhibit 9: IPD average daily census

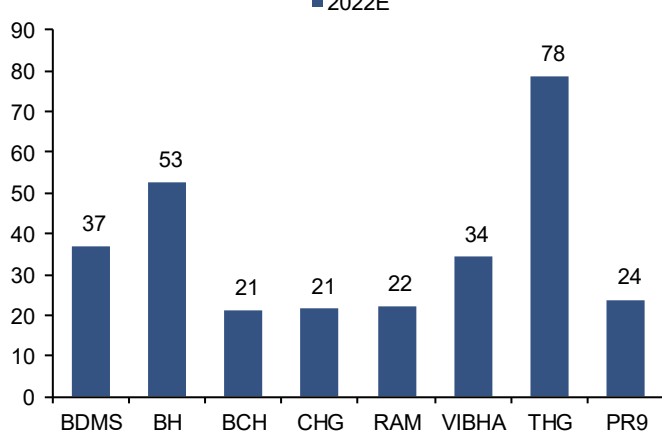
(bed per day)



Source: PR9

Exhibit 10: P/E multiple comparison

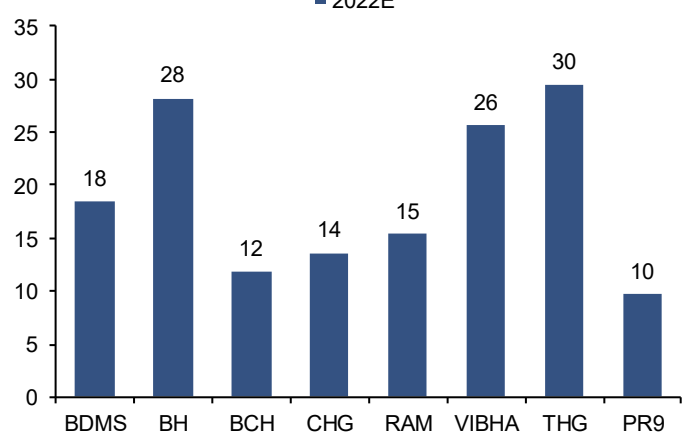
PER (x)



Source: FSSIA estimates

Exhibit 11: EV/EBITDA multiple comparison

EV/EBITDA (x)



Source: FSSIA estimates

Exhibit 12: Historical P/E band

PR9 PER(x)



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical EV/EBITDA band

PR9 EV/EBITDA(x)



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Peer comparisons as of 17 Feb 2022

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		- EV/ EBITDA -	
			Current (LCY)	Target (LCY)	Upside (%)		21 (x)	22E (x)	21 (%)	22E (%)	21 (x)	22E (x)	21 (x)	22E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	23.30	29.00	24.5	11,512	53.6	36.7	8.1	11.6	4.4	4.1	23.3	18.4
Bumrungrad Hospital	BH TB	BUY	156.00	170.00	9.0	3,854	130.0	52.5	5.4	13.2	7.3	6.6	52.0	28.2
Bangkok Chain Hospital	BCH TB	BUY	18.40	28.50	54.9	1,427	7.9	21.2	61.0	18.6	3.8	4.1	5.3	11.8
Chularat Hospital	CHG TB	BUY	3.20	4.70	46.9	1,094	9.7	21.5	65.3	24.0	5.0	5.4	6.6	13.6
Praram 9 Hospital	PR9 TB	BUY	11.20	15.00	33.9	274	35.3	23.8	5.9	8.4	2.1	1.9	12.8	9.7
Thonburi Healthcare Group	THG TB	HOLD	42.00	32.50	(22.6)	1,107	38.5	78.5	11.3	5.4	4.2	4.3	21.2	29.5
Vibhavadi Medical Center	VIBHA TB	BUY	2.36	3.20	35.6	996	22.9	34.2	17.7	9.4	3.5	2.8	23.5	25.6
Ramkhamhaeng Hospital	RAM TB	BUY	33.50	48.00	43.3	1,250	14.3	22.0	21.3	13.5	3.0	2.9	9.7	15.4
Rajthanee Hospital	RJH TB	n/a	32.50	n/a	n/a	300	9.8	20.6	56.4	24.7	6.5	5.0	7.3	13.9
Ekachai Medical Care	EKH TB	n/a	7.40	n/a	n/a	136	13.4	24.1	33.5	15.7	5.0	4.3	8.8	13.9
Thailand average						21,950	33.5	33.5	28.6	14.4	4.5	4.1	17.1	18.0
Regional														
Ramsay Health Care	RHC AU	n/a	64.91	n/a	n/a	10,646	31.4	36.0	11.3	10.0	3.6	3.6	12.3	12.4
Ihh Healthcare Bhd	IHH SP	n/a	2.16	n/a	n/a	14,084	38.9	36.8	6.4	6.4	2.5	2.5	17.2	16.4
Ryman Healthcare	RYM NZ	n/a	9.60	n/a	n/a	3,127	20.0	20.6	12.2	7.5	2.0	1.8	25.9	21.8
Apollo Hospitals Enterprise	APHS IN	n/a	4,565	n/a	n/a	8,704	760.7	69.5	2.4	18.9	18.0	15.5	59.9	29.6
Kpj Healthcare Berhad	KPJ MK	n/a	1.09	n/a	n/a	1,140	84.6	28.2	2.8	7.4	2.4	2.2	16.4	12.6
Raffles Medical Group	RFMD SP	n/a	1.29	n/a	n/a	1,823	32.0	32.0	8.4	8.6	2.8	2.6	17.8	16.8
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,250	n/a	n/a	2,225	27.9	31.3	21.2	18.2	6.6	5.8	17.8	19.5
Aier Eye Hospital Group	300015 CH	n/a	35.00	n/a	n/a	29,722	80.1	60.1	20.1	22.0	22.1	15.1	46.0	36.5
Regional average						71,471	134.5	39.3	10.6	12.4	7.5	6.1	26.7	20.7
Overall average						93,421	78.4	36.1	20.6	13.5	5.8	5.0	21.3	19.2

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	2,601	2,987	3,387	3,753	3,981
Cost of goods sold	(1,677)	(1,879)	(2,103)	(2,304)	(2,432)
Gross profit	925	1,108	1,284	1,449	1,549
Other operating income	38	39	43	46	48
Operating costs	(518)	(557)	(565)	(593)	(617)
Operating EBITDA	444	590	761	902	980
Depreciation	(213)	(294)	(303)	(314)	(331)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	231	297	458	588	649
Net financing costs	0	4	5	6	7
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	230	300	463	594	656
Tax	(28)	(51)	(93)	(119)	(131)
Profit after tax	202	249	371	475	525
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	249	371	475	525
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	202	249	371	475	525
Per share (THB)					
Recurring EPS *	0.26	0.32	0.47	0.60	0.67
Reported EPS	0.26	0.32	0.47	0.60	0.67
DPS	0.11	0.14	0.33	0.42	0.47
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	(8.7)	14.8	13.4	10.8	6.1
Operating EBITDA (%)	(17.8)	33.0	29.0	18.5	8.7
Operating EBIT (%)	(38.5)	28.5	54.5	28.3	10.5
Recurring EPS (%)	(35.3)	23.3	48.7	28.2	10.5
Reported EPS (%)	(29.0)	23.3	48.7	28.2	10.5
Operating performance					
Gross margin inc. depreciation (%)	27.4	27.3	29.0	30.2	30.6
Gross margin of key business (%)	27.4	27.3	29.0	30.2	30.6
Operating EBITDA margin (%)	17.1	19.8	22.5	24.0	24.6
Operating EBIT margin (%)	8.9	9.9	13.5	15.7	16.3
Net margin (%)	7.8	8.3	10.9	12.7	13.2
Effective tax rate (%)	12.3	17.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	42.8	44.2	70.0	70.0	70.0
Interest cover (X)	491.0	(79.4)	(90.0)	(98.3)	(92.6)
Inventory days	10.7	10.2	10.3	10.4	10.6
Debtor days	22.1	22.7	24.7	25.8	27.8
Creditor days	98.8	101.4	109.8	111.0	112.9
Operating ROIC (%)	6.9	7.7	11.5	14.7	16.4
ROIC (%)	6.7	7.5	11.3	14.4	16.1
ROE (%)	5.0	5.9	8.4	10.2	10.8
ROA (%)	4.3	5.0	6.9	8.4	8.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	1,461	1,620	1,880	2,044	2,168
IPD patient revenue	1,140	1,367	1,507	1,709	1,813

Sources: Praram 9 Hospital; FSSIA estimates

Financial Statements

Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	202	249	371	475	525
Depreciation	213	294	303	314	331
Associates & minorities	-	-	-	-	-
Other non-cash items	98	3	0	0	0
Change in working capital	(34)	27	28	17	(5)
Cash flow from operations	480	574	702	806	851
Capex - maintenance	(806)	(235)	(381)	(303)	(283)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(806)	(235)	(381)	(303)	(283)
Dividends paid	(110)	(86)	(110)	(259)	(333)
Equity finance	0	0	0	0	0
Debt finance	8	(2)	0	0	0
Other financing cash flows	(8)	0	0	0	0
Cash flow from financing	(110)	(88)	(110)	(259)	(333)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(437)	250	210	244	236
Free cash flow to firm (FCFF)	(326.28)	338.71	320.59	503.41	568.98
Free cash flow to equity (FCFE)	(326.86)	336.58	320.40	503.22	568.79

Per share (THB)

FCFF per share	(0.41)	0.43	0.41	0.64	0.72
FCFE per share	(0.42)	0.43	0.41	0.64	0.72
Recurring cash flow per share	0.65	0.69	0.86	1.00	1.09

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,345	5,565	5,946	6,250	6,532
Less: Accumulated depreciation	(1,812)	(2,090)	(2,394)	(2,708)	(3,039)
Tangible fixed assets (net)	3,533	3,475	3,553	3,542	3,493
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4	4	4	4	4
Cash & equivalents	994	1,244	1,455	1,698	1,935
A/C receivable	159	212	246	284	324
Inventories	49	56	63	69	73
Other current assets	6	90	102	113	120
Current assets	1,208	1,603	1,866	2,164	2,451
Other assets	52	55	55	55	55
Total assets	4,797	5,137	5,478	5,765	6,004
Common equity	4,115	4,278	4,538	4,754	4,947
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,115	4,278	4,538	4,754	4,947
Long term debt	8	6	6	6	6
Other long-term liabilities	182	190	190	190	190
Long-term liabilities	190	196	196	196	196
A/C payable	446	597	669	732	773
Short term debt	0	0	0	0	0
Other current liabilities	45	66	75	83	88
Current liabilities	492	663	743	815	861
Total liabilities and shareholders' equity	4,797	5,137	5,478	5,765	6,004
Net working capital	(277)	(305)	(332)	(349)	(345)
Invested capital	3,311	3,230	3,280	3,252	3,208

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	5.23	5.44	5.77	6.05	6.29
Tangible book value per share	5.23	5.44	5.77	6.05	6.29

Financial strength

Net debt/equity (%)	(24.0)	(28.9)	(31.9)	(35.6)	(39.0)
Net debt/total assets (%)	(20.6)	(24.1)	(26.4)	(29.4)	(32.1)
Current ratio (x)	2.5	2.4	2.5	2.7	2.8
CF interest cover (x)	(694.4)	(89.2)	(62.0)	(83.2)	(80.1)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	43.6	35.3	23.8	18.5	16.8
Recurring P/E @ target price (x) *	58.4	47.3	31.8	24.8	22.5
Reported P/E (x)	43.6	35.3	23.8	18.5	16.8
Dividend yield (%)	1.0	1.3	2.9	3.8	4.2
Price/book (x)	2.1	2.1	1.9	1.9	1.8
Price/tangible book (x)	2.1	2.1	1.9	1.9	1.8
EV/EBITDA (x) **	17.6	12.8	9.7	7.9	7.0
EV/EBITDA @ target price (x) **	24.4	17.9	13.6	11.2	10.1
EV/invested capital (x)	2.4	2.3	2.2	2.2	2.1

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Praram 9 Hospital; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 11.20	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Bangkok Dusit Medical Services	BDMS TB	THB 23.30	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 156.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 18.40	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.20	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Thonburi Healthcare Group	THG TB	THB 42.00	HOLD	Downside risks to our DCF-based target price include 1) weak patient volume following the economic slowdown; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected expenses from new hospitals. Upside risk is big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.36	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Ramkhamhaeng Hospital	RAM TB	THB 33.50	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 17-Feb-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.